

TEACHERS' RETIREMENT BOARD  
BENEFITS AND SERVICES COMMITTEE

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SUBJECT: Approval of Minutes for  
September 6, 2001

ITEM NUMBER:   2  

ATTACHMENT(S):   1  

ACTION:   X  

DATE OF MEETING: October 11, 2001

INFORMATION:       

PRESENTER(S): Chairperson

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Please see the attached minutes of the September 6, 2001 Benefits and Services Committee meeting.

**PROPOSED  
MINUTES OF THE  
BENEFITS AND SERVICES COMMITTEE MEETING  
OF THE  
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM  
THURSDAY, SEPTEMBER 6, 2001  
BOARD ROOM  
7667 FOLSOM BOULEVARD  
SACRAMENTO, CALIFORNIA**

**COMMITTEE MEMBERS PRESENT**

Karen Russell, Chairperson

Gary Lynes

Carolyn Widener

Louis Willhoit, representing the State Controller, Kathleen Connell

Curt Robinson, representing the Superintendent of Public Instruction, Delaine Eastin

**OTHER BOARD MEMBERS PRESENT**

Jennifer DuCray-Morrill, representing State Treasurer, Phil Angelides

George Fenimore

Jay Schenirer

Paul Krasnow

**STAFF PRESENT**

James D. Mosman, Chief Executive Officer

Michael Carter, DCEO, CBS Branch

Christopher W. Waddell, Chief Counsel

Ed Derman, DCEO, EAPD Branch

Lynda Bridges, Chief, Service Retirement Division

Cynthia Steiger, Acting Chief, Services Division

Jan Vine, Executive Assistant

**OTHERS PRESENT**

Loretta Toggenburger, UTLA, R

Michael Green, CTA

Al Reyes, UTLA

Ellen Logue, CTA, R

Zoe Ann Murray, CRTA

Dorothy Moser, CTA, R

Lois Shive, CTA

A quorum being present, Chairperson Russell called the meeting to order at 8:35 a.m.

**II. APPROVAL OF MINUTES OF JULY 12, 2001**

MOTION duly made by Mr. Robinson, seconded by Mr. Lynes, and carried to approve the Minutes of the July 12, 2001 Benefits and Services Committee.

III. **ANNOUNCEMENTS**

There were none.

IV. **CONSENT AGENDA**

Ms. Bridges presented the three proposed Administrative Law Judge (ALJ) decisions for the Committee's consideration. Staff recommended that the Committee support the ALJ decisions to deny the Request to Change the Beneficiary for Sally J. Murphy; to deny the Request to Add Two Additional Years of Service Credit for Tranquil Calley; and to deny the Application for Disability Retirement for Paul E. Zarna.

MOTION duly made by Mr. Mathiesen, seconded by Mr. Lynes, and carried to adopt the Proposed ALJ Decisions as presented.

V. **PROPOSED FY 2001/02 PRODUCTION OBJECTIVES**

Mr. Carter presented the Proposed Production Objectives to the Committee. The Committee desires the production levels to remain the same and instructed Mr. Carter to return to the next meeting without reductions to the prior year objectives, except for the addition of new standards for e-mail and others. In addition, the Committee requested that staff identify resources necessary to maintain member services at desired levels.

Mr. Mosman shared a comparison of the telephone queue, where in July 2000, 22,000 phone calls were received and in July 2001, 140,000 phone calls were offered. Extreme interest in recently enacted benefits and START recovery were cited as the primary basis for the increased calls.

Mr. Krasnow asked if members could access their account on the Website. Mr. Mosman stated that this service is currently not available, his objective is to fast-track a project that permits a member to access their account and other related information on the Website by mid-December.

E-mail services were discussed by Cynthia Steiger, Acting Chief of the Services Division. The Services Division receives approximately 100 to 200 e-mails per day and new measures will be developed to track this workload. Discussions ensued.

MOTION duly made by Ms. Widener, seconded by Mr. Lynes, and carried to maintain the current service objectives, add the group appointment workshops, eliminate the third objective under Disability Services, add new e-mail measures and present a plan on resources needed to accomplish the stated objectives.

VI. **OVERVIEW OF CalSTRS BENEFIT PROGRAMS**

Mr. Derman presented an overview of the programs presently offered by CalSTRS.

VII. **CLIENT ADVISORY COMMITTEE UPDATE**

Mr. Derman shared the highlights of the September 5, 2001 Client Advisory Committee (CAC) meeting.

VIII. **RETIREMENT PLANNING STRATEGIES**

This item is in response to Committee member requests at the previous meeting for staff to address potential enhancement to “Financial Education” for CalSTRS members. Mr. Carter and Mr. Derman presented this overview.

Programs and services mentioned as potential future offerings include On-line interaction with Public Service staff and Regional Counselors, television broadcasting of benefit seminars Group Workshop style presentations to members accessible on the Internet and possibly offering Financial Education presentations on C-D ROMS.

The scope of this effort will also include information on Social Security, the 403(b) program and related subjects, including insurance and financial planning. The possibility of using vendors to provide on-line asset allocation and investment advice was discussed. Financial advice models could be linked to the Website, (i.e., Financial Engines, which charge members a fee to use their service). Liability issues would have to be addressed and Mr. Waddell clarified that the appropriate liability caveats such as those used for estimates provided in the Web site calculator.

The timeframe to provide information was also discussed. Early in the career to encourage saving money for retirement and later in the career for an option decision. How CalSTRS provides the information to its members was also discussed. Some options ranged from providing information during one-on-one sessions as compared to group workshops or on the Website. Staff are in the process of identifying the tasks to implement the objective to provide a framework for financial education and advice by June 30, 2003.

IX. **WEB-SITE USAGE LEVELS**

Due to time considerations, Chairperson Russell requested that the Committee review and consider the written materials provided on the Web-Site Usage Levels.

X. **WARRANT STUB MESSAGE – OCTOBER 1, 2001**

Mr. Carter presented this item.

XI. **LEVEL OF SERVICE STANDARDS**

Mr. Carter presented this item and shared the responsibilities of Cynthia Steiger, Acting Division Chief of the Services Division, which includes the Phone Center, Regional Counseling Services and Financial Education. Mr. Carter shared that the Phone Center solutions are being actively pursued and are explained in detail in the written report. Highlights include twelve college students recently hired and trained on an expedited basis to assist with the high volume of phone calls and the reprogramming of the IVR which allows members to access their account specific data over the phone. This IVR service, which is programmed by Pacific Bell, has not been available to members for several months. October 3, 2001 is the delivery date of this product and is expected to greatly assist the Phone Center by offering responses to phone calls on an automated basis, rather than requiring technicians to handle the calls.

XII. **DRAFT AGENDA FOR THE OCTOBER BENEFITS AND SERVICES COMMITTEE MEETING**

If drafted and reviewed within the organization, add an item on long-term strategies for Financial Education and an item on Benefit Program presentation and overview.

XIII. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

Dorothy Moser, CTA-R, asked when the Statements of Account will be mailed to members. Mr. Carter clarified that the Statements will be mailed in late December and it was also suggested that members be informed of this timeframe in the CTA and CFT publications. Mr. Mosman stated that the CalSTRS Bulletin will be going out to all active members approximately the middle of November and this information will be highlighted. In addition, an up-front message will be added to the CalSTRS Phone System and the Website will include this disclosure.

XIV. **ADJOURNMENT**

There being no further business to conduct, Chairperson Russell adjourned the meeting at 10:36 a.m.

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JAMES D. MOSMAN, Chief Executive Officer  
Secretary to the Teachers' Retirement Board

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Karen Russell, Chairperson